Changes in the Essential Commodities Act

*289. SHRI GUFRAN AZAM:
SHRI M. VENKAIAH NAIDU:

Will the Minister of FOOD AND CONSUMER AFFAIRS be pleased to state:

(a) whether the Union Government had convened a meeting of Chief Ministers of all the States on 27th November, 1998, and adopted an action plan to check prices of essential food items;

(b) if so, the details of discussions held and the outcome thereof;

(c) whether Government have decided to remove restrictions on inter-state movement of essential commodities and strengthen the Essential Commodities Act, to take strict action against hoarders; if so, the details thereof; and

(d) if so, what immediate changes Government propose to make in the Essential Commodities Act to streamline the system?

THE MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF FOOD AND CONSUMER AFFAIRS (SHRI SURJIT SINGH BARNALA): (a) and (b) Prime Minister had convened a meeting of the Chief Ministers of all States/Union Territories on 27.11.98 to discuss the situation arising out of rise in prices of essential commodities in the country. A summary of the conclusions emerged in the meeting is given in statement (*see* below).

(c) There is no formal restriction on inter-state movement of commodities in the country. However, some of the State Governments impose certain informal restrictions on the movement of essential commodities. This was discussed in the Chief Ministers meeting and it was agreed that the State Governments/UTs would take immediate action to remove restrictions including informal restrictions, if any on the movement of Essential Commodities so that free flow of Essential Commodities is ensured.

(d) The Essential Commodities (Amendment) Bill, 1998 seeking to amend the Essential Commodities Act, 1955 is pending in the Lok Sabha. The Group of Officers constituted under the chairmanship of the Cabinet Secretary have suggested some modifications in the Bill which inter-alia include restoration of some provisions of the erstwhile Essential Commodities (special Provisions) Act, 1981.

Statement

Closing Remarks by the Prime Minister and Resolutions of the Conference held on 27.11.1998

Hon'ble Chief Ministers, Ministers of the State Governments, my Cabinet Colleagues, officials of the Government of India and State Governments and friends.

I thank you very much for the useful discussions that we have had today on a wide range of issues covering various aspects relating to availability, distribution and prices of essential commodities. It was heartening to note that the Chief Ministers have already devoted considerable thought to the subject and have initiated measures within their respective jurisdictions to address the problems relating to prices. Valuable suggestions have been made during the course of deliberations today for adoption of comprehensive measures for stimulating production of essential commodities, protection of the interests of the farmers, institution of proper mechanisms for forecasting of production, monitoring of prices, streamlining of distribution, setting up of cold storage chains and processing facilities, strengthening of the Essential Commodities Act and Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities Act, enforcement of these statutes etc. I was particularly happy that most of the chief ministers have agreed with my suggestions on these issues.

Some of the important conclusions which can be drawn from today's deliberations are as follows:

1. National Crop Forecasting Centre will be immediately set up under the Ministry of Agriculture which would make full use of satellite based remote sensing capabilities of the Department of Space and the computer network set up by the National Informations Centre covering all the districts, for making forecasts relating to various agricultural crops and disseminating information thereof.

2. The Essential Commodities Act would be immediately reviewed with a view to examine as to how the State Governments/UT Administration can be empowered for effective action against those who hoard and cause artificial shortage and engage in trade mal-practices not only in respect of foodgrains but also in items of mass, consumption like vegetables, edible oils etc. Group of officials under the Cabinet Secretary would be constituted to make suitable recommendations both on the amendment of the Act and the steps that should be taken to improve the enforcement mechanism. Representatives of some of the State would be included in this Group.

3. The States/UTs would take advantage whenever warranted, of the powers already delegated to them under the Essential Commodities Act, 1955 to take effective action for curbing of mal-practices relating to essential commodities.

4. The Cabinet Committee on Prices (CCP) set up within the Union Government would be restructured to make it more functional and enable it to carry our monthly reviews on prices and ensure timely corrective action. The State Governments would also similarly consider setting up similar committees in their respective States.

5. Special Cell would be set up under the Cabinet Secretariat to monitor and analyse price data and trends of essential commodities. It would also service the Cabinet Committee on Prices which would take decisions on imports and exports of essential commodities. The cell will establish mechanism for obtaining crop price and production data from various centres in the country and share these informations suitably with the States.

6. A Joint Monitoring Mechanism for prices and production will be established under the Chairmanship of the Cabinet Secretary which will hold quarterly meetings with the Chief Secretaries of States/UTs.

7. The States/UTs will initiate urgent steps to implement a programme for establishment of efficient and cost effective cold storages to minimise high percentage of waste as well as programmes relating to development of food processing industries. Finance Ministry will examine the possibility of providing soft loan to the States/UTs from the banking system for improving these facilities.

8. In the event of abnormal increase in the prices of any parishable essential commodities, State Government/UT Administrations would undertake market intarvention operations for distribution of these commodities at reasonable prices till the situation reverts to normalcy. To facilitate such market interventions, Central Government will provide necessary funds on matching basis. For distribution of such commodities,

State/UTs will use the existing mechanisms of PDS.

9. Having regard to the fiscal deficit of the Union Government as well as those of the States/UT, concerted efforts will be made by both the Central Government and the State Governments/Union Territory Administrations to augment revenues, realise user charges fully and curb unproductive expenditures.

10. The items included by the Central and State Governments under PDS will be reviewed from time to time.

11. States/UTs will take immediate action to remove restrictions including informal restrictions, if any, on the movement of essential commodities so that free flow of essential commodities is ensured.

Finally, I may mention that an overwhelming majority of Chief Ministers have favoured a comprehensive ban on all kinds of lotteries. The Chief Ministers from the North Eastern States have expressed concern about the adverse impact that the ban would have on their revenues. Government of India will consider these reservations and see how these States can be compensated for the loss in their revenues. But the general consensus of the Conference was that lotteries should be statutorily banned and necessary Legislations in this regard will be initiated.

On the question of amending the law relating to provision of capital punishment for the offence of rape, while some Chief Ministers have endorsed the proposal wholeheartedly, some others have said that they would like to consult their respective Cabinet colleagues. There has, however, been unanimity that rape is a heinous crime which deserves stringent punishment.

The other suggestions of the Hon'ble Chief Ministers have also been noted end action will be taken on each of them expeditiously.

I once again thank the Hon'ble Chief Ministers and other representatives of the State Governments for attending the Conference and shering their views with us. I need hardly emphasise that cooperation between Central Government and the State Governments/ UT Administrations is essential in dealing with a matter as sensitive as prices. I will have similar inter-actions with you in future to take further corrective actions that may be required in this regard.

बृहत् उर्वरक परियोजनाओं का निर्धारित समय-सीमा से पीछे चलना

*290. **श्री चीमनभाई हरीभाई शुक्ला:** क्या रसायन और उर्वरक मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या देश में सरकारी और निजी उपक्रमों की पचास प्रतिशत बृहत् उर्वरक परियोजनाओं के निर्माण का कार्य निर्धारित समय-सीमा से पीछे चल रहा है;

(ख) यदि हां, तो इन परियोजनाओं के नाम क्या हैं;

(ग) क्या उनकी लागत में पैंतीस प्रतिशत से भी अधिक की वृद्धि हो गई है;

(घ) यदि हां, तो प्रत्येक मामले में लागत वृद्धि का ब्यौरा क्या है तथा उसके क्या कारण हैं; और

(ङ) क्या सरकार इन परियोजनाओं को निर्धारित समय-सीमा में पूरा करने हेतु कोई कदम उठाने का विचार रखती है?

रसायन और उर्वरक मंत्री (श्री सुरजीत सिंह बरनाला): (क) से (ङ) निजी क्षेत्र में स्थापित की जा रही उर्वरक परियोजनाओं में लगने वाले अधिक समय तथा लागत पर सरकार द्वारा निगरानी रखे जाने/विश्लेषण किये जाने की आवश्यकता नहीं है क्योंकि ऐसी परियोजनाओं की लागत तथा कार्यान्वयन समय सारणी सरकार द्वारा अनुमोदित नहीं की जाती है।